

**Berrien-Cass-Van Buren  
Workforce Development Board, Inc.  
Benton Harbor, Michigan**

**FINANCIAL STATEMENTS**

**June 30, 2006**

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Berrien-Cass-Van Buren  
Workforce Development Board, Inc.  
Benton Harbor, Michigan

We have audited the accompanying statement of financial condition of Berrien-Cass-Van Buren Workforce Development Board, Inc. as of June 30, 2006, and the related statements of activities, cash flows and functional expenses for the year ended, as listed in the table of contents. These financial statements are the responsibility of Berrien-Cass-Van Buren Workforce Development Board, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Berrien-Cass-Van Buren Workforce Development Board, Inc. as of June 30, 2006, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2007, on our consideration of Berrien-Cass-Van Buren Workforce Development Board, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the Berrien-Cass-Van Buren Workforce Development Board, Inc.'s basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

January 3, 2007

## FINANCIAL STATEMENTS

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

STATEMENT OF FINANCIAL CONDITION

June 30, 2006

ASSETS

Current assets

Cash and cash equivalents	\$ 27,332
Accounts receivable	29,801
Due from local governmental units	<u>626,178</u>

Total current assets 683,311

Fixed assets

Furniture and equipment	569,632
Less: accumulated depreciation	<u>(474,187)</u>

Net fixed assets 95,445

Other assets

Advances to local governmental units	<u>431,161</u>
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TOTAL ASSETS \$ 1,209,917

LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities

Accounts and contractor payables	\$ 555,991
Accrued annual and sick leave payable	43,663
Accrued salaries payable	17,110
Other accrued liabilities	4,443
Deferred revenue	<u>491,547</u>

Total current liabilities 1,112,754

NET ASSETS

Unrestricted	1,718
Temporarily restricted - fixed assets	<u>95,445</u>

TOTAL NET ASSETS 97,163

TOTAL LIABILITIES AND NET ASSETS \$ 1,209,917

See accompanying notes to financial statements.

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2006

	Unrestricted	Temporarily Restricted	Total
REVENUES			
Grants			
Federal	\$ 7,709,933	-	\$ 7,709,933
State	825,386	-	825,386
Interest	7,656	-	7,656
Other	32,406	-	32,406
Net assets released from restrictions	31,443	(31,443)	-
TOTAL REVENUES	8,606,824	(31,443)	8,575,381
EXPENSES			
Program services	7,697,735	-	7,697,735
Supporting services	910,382	-	910,382
TOTAL EXPENSES	8,608,117	-0-	8,608,117
CHANGE IN NET ASSETS	(1,293)	(31,443)	(32,736)
Net assets, beginning of year	3,011	126,888	129,899
Net Assets, end of year	\$ 1,718	\$ 95,445	\$ 97,163

See accompanying notes to financial statements.

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2006

	Program Services	Supporting Services	Total
EXPENSES			
Grants and allocations	\$ 6,102,361	\$ -	\$ 6,102,361
Supplies	20,776	-	20,776
Telephone	55,742	-	55,742
Postage and shipping	3,543	-	3,543
Occupancy	247,677	-	247,677
Equipment rental and maintenance	44,667	-	44,667
Equipment purchases	143,085	-	143,085
Insurance	3,390	-	3,390
Contracted services	50,727	-	50,727
Allocated Administration	-	906,892	906,892
Allocated Program	788,948	-	788,948
Training and Conferences	168,412	-	168,412
Other	40,454	-	40,454
Total expenses before capitalized equipment adjustment and depreciation	7,669,782	906,892	8,576,674
Depreciation	27,953	3,490	31,443
TOTAL EXPENSES	<u>\$ 7,697,735</u>	<u>\$ 910,382</u>	<u>\$ 8,608,117</u>

See accompanying notes to financial statements.

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

(Decrease) in net assets	\$ (32,736)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities,	
Depreciation	31,443
Decrease in receivables	27,348
Decrease in due from governmental units	77,780
(Increase) in advances to governmental units	(11,436)
Increase in accounts and contractor payables	53,287
(Decrease) in accrued annual and sick leave	(3,238)
(Decrease) in accrued salaries	(23,487)
(Decrease) in other accrued liabilities	(18,621)
Increase in deferred revenue	<u>6,587</u>

NET CASH PROVIDED BY  
OPERATING ACTIVITIES

106,927

Cash and cash equivalents, beginning of year

(79,595)

Cash and cash equivalents, end of year

\$ 27,332

See accompanying notes to financial statements.



Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2006

**NOTE A: DESCRIPTION OF ORGANIZATION**

The Berrien-Cass-Van Buren Private Industry Council, Inc. was organized in 1983 as a private, nonprofit corporation to administer Federal and State employment and training funds in Berrien, Cass, and Van Buren counties. During 1996, the Berrien-Cass-Van Buren Workforce Development Board, Inc., doing business as Michigan Works Berrien-Cass-Van Buren, was formed under the direction of a newly created Board of Directors. On May 1, 1996, the Workforce Development Board assumed responsibility for all contracts and grants previously administered by the Private Industry Council, and the Private Industry Council ceased to exist.

The County of Van Buren acts as the grant recipient of most of the job training funds received from the State of Michigan. Van Buren County has contracted with the Berrien-Cass-Van Buren Workforce Development Board, Inc. to serve as the administrative entity, which involves administration of the day-to-day operations of the employment and training programs.

The Berrien-Cass-Van Buren Workforce Development Board, Inc. operates under a Chief Elected Officials Board (CEOB) and a Board of Directors appointed by the County Boards of Commissioners from the three (3) County area, which consists of various individuals representing the private sector, governmental, and nonprofit organizations from the three (3) County areas. The Workforce Development Board provides policy guidance and oversight services for all activities of the Berrien-Cass-Van Buren Workforce Development Board, Inc.

**1. Basis of Presentation**

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three (3) classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

The Organization also has adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Organization has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

**NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant accounting policies of the Organization:

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents - Cash and cash equivalents consist of checking, savings, and money market accounts, and cash on hand.

Due from Local Governmental Units - These amounts consist of funds due for reimbursement of grant expenses.

Fixed Assets - Furniture and equipment acquired by the Organization is stated at cost, with items capitalized based on having a unit cost equal to or greater than \$5000 (capitalization threshold set by Federal government). Depreciation is provided using the straight-line method over the useful lives of the respective assets, which range from 3 to 10 years. The amount of depreciation is also reported as net assets released from restrictions.

Fixed asset purchases with grant funds are recorded as an expense for grant reporting purposes. These fixed assets are in the possession of the organization but are considered owned by the grant funding sources. The net book values of these fixed assets are reported in the financial statements as temporarily restricted net assets.

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2006

**NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Deferred Revenue - These amounts consist of the amounts of grant funds received that are in excess of grant expenses.

Governmental Grants - Governmental grants that are for particular operating purposes are not considered to be contributions and are recognized as revenue when expenses are incurred under the appropriate activity type (i.e., unrestricted, temporarily restricted). Governmental grant revenues that are used to fund fixed assets purchases are recorded as temporarily restricted revenues.

Allocated Costs - Certain costs of the Organization have been allocated to program service and supporting service activities. Salary and related expenses have been allocated based upon actual time percentages for each employee. Other costs are allocated based on some basis reflecting actual activity.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Compensated Absences - The Organization's employees are granted annual and sick leave in varying amounts. In the event of termination, an employee is entitled to certain accumulated annual and sick leave amounts. As of June 30, 2006, compensated absences totaled \$43,663.

Income Taxes - The Berrien-Cass-Van Buren Workforce Development Board, Inc. operates as a nonprofit organization and is exempt from income taxes under Section 501 of the Internal Revenue Code. The Organization is not classified as a private foundation.

Comparative Data - Comparative data has not been presented in the financial statements because it would make the financial statements unduly complex and difficult to read.

**NOTE C: DUE FROM LOCAL GOVERNMENTAL UNITS**

The following is a summary of the amounts due from local governmental units for the various grant programs as of June 30, 2006:

<u>Grant</u>	<u>Amount</u>
Local - Van Buren County	
WIA State-Wide Act - One-Stop - FY06	\$ 10,299
WIA Incumbent Worker - PY05	16,461
WIA Dislocated Worker - PY05	103,472
TAA/NAFTA - FY06	869
TAA/NAFTA - FY05	1,087
Re-Employment Services - PY05	900
Employment Services - PY05	6,815
WIA Displaced Homemaker - FY06	5,714
WIA Youth - PY05	109,659
WIA Youth State-Wide - PY05	4,448
WIA Incentive - PY05	19,646
WIA Adult - PY05	139,703
Michigan Prisoner Re-Entry Program - FY06	68,865
TANF Work First - FY05	22,890
TANF Work First - FY06	37,920
Food Stamps Employment & Training - FY06	13,367
Food Stamps Employment & Training - FY05	1,964

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2006

**NOTE C: DUE FROM LOCAL GOVERNMENTAL UNITS - CONTINUED**

<u>Grant - continued</u>	<u>Amount</u>
Local - Van Buren County - continued	
Work First GF/GP - FY06	\$ 45,693
Work First TANF Transportation to Work - FY05	<u>16,406</u>
	<u>\$ 626,178</u>

**NOTE D: FIXED ASSETS**

The following is a summary of the changes in fixed assets of the Organization for the year ended June 30, 2006:

	<u>July 1, 2005</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2006</u>
Furniture and equipment	\$ 569,632	\$ -0-	\$ -0-	\$ 569,632
Less: accumulated depreciation	( 442,744 )	( 31,443 )	( -0- )	( 474,187 )
	<u>\$ 126,888</u>	<u>\$( 31,443 )</u>	<u>\$ -0-</u>	<u>\$ 95,445</u>

Fixed assets purchased with Federal funds have title vested based on the unit cost of the fixed asset. Fixed assets with a unit cost of \$5,000 or more have title vested with the Michigan Department of Labor and Economic Growth and U.S. Departments of Labor, Agriculture, or Health and Human Services. As a result, all fixed assets are considered to be property of these Federal and State funding sources and are reported as temporarily restricted net assets.

**NOTE E: DEFERRED REVENUE**

The following is a summary of the amounts of deferred revenues for the various programs as of June 30, 2006.

<u>Grant</u>	<u>Amount</u>
Local - Van Buren County	
Partnership for Adult Learning - FY04	\$ 5,880
MWA Capacity Building - PY03	236
Building Strategic Partnership	297
Employment Services - PY04	71,596
Benton Harbor Summer Youth - FY05	52,797
Benton Harbor Summer Youth - FY06	129,977
WIA Administration - PY04	12,841
WIA Administration - PY05	2,757
Work First GF/GP - FY05	24,332
Regional Skills Alliance	309
Reed Act Work First - FY05	161,008
Work First GF/GP - FY04	12,000
Work First TANF Transportation to Work - FY06	15,924
Program Income	<u>1,593</u>
	<u>\$ 491,547</u>

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2006

**NOTE F: RELIANCE ON FUNDING SOURCES**

The Organization receives all of its support from various federal, state, and local grant revenues. A significant reduction in the level of this support, if it were to occur, would have an effect on the Organization's programs and activities.

**NOTE G: CONTRACT COMMITMENTS**

The Organization has contracts with various subcontractors to provide services under the Work First, Food Stamps and WIA Summer Youth programs that are not completed and closed out until after year-end. Commitments outstanding at June 30, 2006 totaled \$928,900. The Work First, Food Stamps and WIA Summer Youth programs had sufficient grant amounts available to cover the commitments.

**NOTE H: RETIREMENT PLAN**

The Berrien-Cass-Van Buren Workforce Development Board, Inc. is the sponsor of a retirement plan for the sole benefit of its employees. The Workforce Development Board Employees Pension Plan is a money purchase defined contribution pension benefit plan. During the year ended June 30, 2006, the Organization made contributions for all eligible employees at a rate of 5.50% of wages.

All full-time employees of the Organization who are 18 years of age and with at least 90 days of service are eligible to participate in the plan. Contributions are directed by participants into various investment options available within the plan.

For the year ended June 30, 2006, the Organization had a total payroll of \$818,148. The retirement plan had covered payroll of \$644,242. The Organization made contributions to the retirement plan in the amount of \$35,433.

## **SUPPLEMENTAL INFORMATION**

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF BALANCE SHEETS

June 30, 2006

	Partnership for Adult Learning FY04	MWA Capacity Building PY03	Building Strategic Partnership
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 5,880	\$ 236	\$ 297
Accounts receivable	-	-	-
Due from local governmental units	-	-	-
Total current assets	5,880	236	297
Fixed assets			
Furniture and equipment	-	-	-
Less: accumulated depreciation	-	-	-
Net fixed assets	-0-	-0-	-0-
Other assets			
Advances to local governmental units	-	-	-
TOTAL ASSETS	<u>\$ 5,880</u>	<u>\$ 236</u>	<u>\$ 297</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Current liabilities			
Accounts and contractor payables	\$ -	\$ -	\$ -
Accrued annual and sick leave payable	-	-	-
Accrued salaries payable	-	-	-
Other accrued liabilities	-	-	-
Deferred revenue	5,880	236	297
Total current liabilities	5,880	236	297
<b>NET ASSETS</b>			
Unrestricted	-	-	-
Temporarily restricted - fixed assets	-	-	-
TOTAL NET ASSETS	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,880</u>	<u>\$ 236</u>	<u>\$ 297</u>

Reed Act One-Stop FY05	WIA State-Wide One-Stop FY06	General Fund	WIA Incumbent Worker PY05	WIA Dislocated Worker PY05
\$ -	\$ 478	\$ 1,718	\$ (3,622)	\$ (68,616)
-	-	-	-	-
-	10,299	-	16,461	103,472
-0-	10,777	1,718	12,839	34,856
-	-	-	-	-
-	-	-	-	-
-0-	-0-	-0-	-0-	-0-
-	-	-	-	-
<u>\$ -0-</u>	<u>\$ 10,777</u>	<u>\$ 1,718</u>	<u>\$ 12,839</u>	<u>\$ 34,856</u>
\$ -	\$ 10,777	\$ -	\$ 12,839	\$ 34,856
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-0-	10,777	-0-	12,839	34,856
-	-	1,718	-	-
-	-	-	-	-
-0-	-0-	1,718	-0-	-0-
<u>\$ -0-</u>	<u>\$ 10,777</u>	<u>\$ 1,718</u>	<u>\$ 12,839</u>	<u>\$ 34,856</u>

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF BALANCE SHEETS - CONTINUED

June 30, 2006

	Rapid Response	TAA/NAFTA FY06	TAA/NAFTA FY05
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ -	\$ (869)	\$ (1,087)
Accounts receivable	-	-	-
Due from local governmental units	-	869	1,087
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total current assets	-0-	-0-	-0-
Fixed assets			
Furniture and equipment	-	-	-
Less: accumulated depreciation	-	-	-
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net fixed assets	-0-	-0-	-0-
Other assets			
Advances to local governmental units	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Current liabilities			
Accounts and contractor payables	\$ -	\$ -	\$ -
Accrued annual and sick leave payable	-	-	-
Accrued salaries payable	-	-	-
Other accrued liabilities	-	-	-
Deferred revenue	-	-	-
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total current liabilities	-0-	-0-	-0-
<b>NET ASSETS</b>			
Unrestricted	-	-	-
Temporarily restricted - fixed assets	-	-	-
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL NET ASSETS	-0-	-0-	-0-
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>



Re-Employment Services PY05	Employment Services PY04	Employment Services PY05	WIA Displaced Homemaker FY06	Benton Harbor Summer Youth FY05
\$ (900)	\$ 71,596	\$ (6,815)	\$ 414	\$ 7,078
-	-	-	-	-
900	-	6,815	5,714	-
-0-	71,596	-0-	6,128	7,078
-	-	-	-	-
-	-	-	-	-
-0-	-0-	-0-	-0-	-0-
-	-	-	-	45,719
<u>\$ -0-</u>	<u>\$ 71,596</u>	<u>\$ -0-</u>	<u>\$ 6,128</u>	<u>\$ 52,797</u>
\$ -	\$ -	\$ -	\$ 6,128	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	71,596	-	-	52,797
-0-	71,596	-0-	6,128	52,797
-	-	-	-	-
-	-	-	-	-
-0-	-0-	-0-	-0-	-0-
<u>\$ -0-</u>	<u>\$ 71,596</u>	<u>\$ -0-</u>	<u>\$ 6,128</u>	<u>\$ 52,797</u>

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF BALANCE SHEETS - CONTINUED

June 30, 2006

	Benton Harbor Summer Youth FY06	WIA Administration PY04	WIA Administration PY05
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ (31,477)	\$ 12,841	\$ 2,757
Accounts receivable	-	-	-
Due from local governmental units	-	-	-
Total current assets	(31,477)	12,841	2,757
Fixed assets			
Furniture and equipment	-	-	-
Less: accumulated depreciation	-	-	-
Net fixed assets	-0-	-0-	-0-
Other assets			
Advances to local governmental units	184,000	-	-
TOTAL ASSETS	<u>\$ 152,523</u>	<u>\$ 12,841</u>	<u>\$ 2,757</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Current liabilities			
Accounts and contractor payables	\$ 22,546	\$ -	\$ -
Accrued annual and sick leave payable	-	-	-
Accrued salaries payable	-	-	-
Other accrued liabilities	-	-	-
Deferred revenue	129,977	12,841	2,757
Total current liabilities	152,523	12,841	2,757
NET ASSETS			
Unrestricted	-	-	-
Temporarily restricted - fixed assets	-	-	-
TOTAL NET ASSETS	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 152,523</u>	<u>\$ 12,841</u>	<u>\$ 2,757</u>

WIA Youth PY05	WIA Youth Statewide PY05	WIA Incentive PY05	WIA Adult PY05	WIA Statewide Planning Grant CAEL PY05
\$ (19,451)	\$ 388	\$ (7,730)	\$ (36,268)	\$ -
-	-	-	-	-
109,659	4,448	19,646	139,703	-
90,208	4,836	11,916	103,435	-0-
-	-	-	-	-
-	-	-	-	-
-0-	-0-	-0-	-0-	-0-
-	-	-	-	-
<u>\$ 90,208</u>	<u>\$ 4,836</u>	<u>\$ 11,916</u>	<u>\$ 103,435</u>	<u>\$ -0-</u>
\$ 90,208	\$ 4,836	\$ 11,916	\$ 103,435	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
90,208	4,836	11,916	103,435	-0-
-	-	-	-	-
-	-	-	-	-
-0-	-0-	-0-	-0-	-0-
<u>\$ 90,208</u>	<u>\$ 4,836</u>	<u>\$ 11,916</u>	<u>\$ 103,435</u>	<u>\$ -0-</u>

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF BALANCE SHEETS - CONTINUED

June 30, 2006

	Michigan Prisoner Re-Entry Program FY06	TANF Work First FY05	TANF Work First FY06
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ (39,004)	\$ (22,890)	\$ (72,849)
Accounts receivable	-	-	-
Due from other governmental units	68,865	22,890	37,920
Total current assets	29,861	-0-	(34,929)
Fixed assets			
Furniture and equipment	-	-	-
Less: accumulated depreciation	-	-	-
Net fixed assets	-0-	-0-	-0-
Other assets			
Advances to local governmental units	-	-	168,680
TOTAL ASSETS	<u>\$ 29,861</u>	<u>\$ -0-</u>	<u>\$ 133,751</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Current liabilities			
Accounts and contractor payables	\$ 29,861	\$ -	\$ 133,751
Accrued annual and sick leave payable	-	-	-
Accrued salaries payable	-	-	-
Other accrued liabilities	-	-	-
Deferred revenue	-	-	-
Total current liabilities	29,861	-0-	133,751
<b>NET ASSETS</b>			
Unrestricted	-	-	-
Temporarily restricted - fixed assets	-	-	-
Total net assets	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 29,861</u>	<u>\$ -0-</u>	<u>\$ 133,751</u>

Work First GF/GP FY05	Food Stamps Employ./Training FY06	Food Stamps Employ./Training FY05	Regional Skills Alliance	WIA Statewide A-Step Program PY04
\$ 24,332	\$ (1,331)	\$ (3,945)	\$ 309	\$ -
-	-	-	-	-
-	13,367	1,964	-	-
24,332	12,036	(1,981)	309	-0-
-	-	-	-	-
-	-	-	-	-
-0-	-0-	-0-	-0-	-0-
-	-	1,981	-	-
<u>\$ 24,332</u>	<u>\$ 12,036</u>	<u>\$ -0-</u>	<u>\$ 309</u>	<u>\$ -0-</u>
\$ -	\$ 12,036	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
24,332	-	-	309	-
24,332	12,036	-0-	309	-0-
-	-	-	-	-
-	-	-	-	-
-0-	-0-	-0-	-0-	-0-
<u>\$ 24,332</u>	<u>\$ 12,036</u>	<u>\$ -0-</u>	<u>\$ 309</u>	<u>\$ -0-</u>

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF BALANCE SHEETS - CONTINUED

June 30, 2006

	WIA Statewide A-Step Program PY05	Reed Act Work First FY05	Work First GF/GP FY04
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ -	\$ 161,008	\$ -
Accounts receivable	-	-	-
Due from local governmental units	-	-	-
Total current assets	-0-	161,008	-0-
Fixed assets			
Furniture and equipment	-	-	-
Less: accumulated depreciation	-	-	-
Net fixed assets	-0-	-0-	-0-
Other assets			
Advances to local governmental units	-	-	12,000
TOTAL ASSETS	<u>\$ -0-</u>	<u>\$ 161,008</u>	<u>\$ 12,000</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Current liabilities			
Accounts and contractor payables	\$ -	\$ -	\$ -
Accrued annual and sick leave payable	-	-	-
Accrued salaries payable	-	-	-
Other accrued liabilities	-	-	-
Deferred revenue	-	161,008	12,000
Total current liabilities	-0-	161,008	12,000
<b>NET ASSETS</b>			
Unrestricted	-	-	-
Temporarily restricted - fixed assets	-	-	-
TOTAL NET ASSETS	-0-	-0-	-0-
TOTAL LIABILITIES AND NET ASSETS	<u>\$ -0-</u>	<u>\$ 161,008</u>	<u>\$ 12,000</u>

Work First GF/GP FY06	TANF FIA Transportation FY05	Work First TANF Transportation to Work FY05	Work First TANF Transportation to Work FY06	PIC Funded Leave
\$ (2,381)	\$ (2,857)	\$ (16,406)	\$ -	\$ 31,823
-	-	-	-	11,840
45,693	-	16,406	-	-
43,312	(2,857)	-0-	-0-	43,663
-	-	-	-	-
-	-	-	-	-
-0-	-0-	-0-	-0-	-0-
-	2,857	-	15,924	-
\$ 43,312	\$ -0-	\$ -0-	\$ 15,924	\$ 43,663
\$ 43,312	\$ -	\$ -	\$ -	\$ -
-	-	-	-	43,663
-	-	-	-	-
-	-	-	-	-
-	-	-	15,924	-
43,312	-0-	-0-	15,924	43,663
-	-	-	-	-
-	-	-	-	-
-0-	-0-	-0-	-0-	-0-
\$ 43,312	\$ -0-	\$ -0-	\$ 15,924	\$ 43,663

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF BALANCE SHEETS - CONTINUED

June 30, 2006

	<u>Drop In Center</u>	<u>Payroll Fund</u>	<u>Program Income</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ -	\$ 3,133	\$ 1,593
Accounts receivable	-	-	-
Due from local governmental units	-	-	-
	<u>-0-</u>	<u>3,133</u>	<u>1,593</u>
Total current assets	-0-	3,133	1,593
Fixed assets			
Furniture and equipment	-	-	-
Less: accumulated depreciation	-	-	-
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net fixed assets	-0-	-0-	-0-
Other assets			
Advances to local governmental units	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ -0-</u>	<u>\$ 3,133</u>	<u>\$ 1,593</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Current liabilities			
Accounts and contractor payables	\$ -	\$ -	\$ -
Accrued annual and sick leave payable	-	-	-
Accrued salaries payable	-	-	-
Other accrued liabilities	-	3,133	-
Deferred revenue	-	-	1,593
	<u>-0-</u>	<u>3,133</u>	<u>1,593</u>
Total current liabilities	-0-	3,133	1,593
<b>NET ASSETS</b>			
Unrestricted	-	-	-
Temporarily restricted - fixed assets	-	-	-
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL NET ASSETS	-0-	-0-	-0-
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ -0-</u>	<u>\$ 3,133</u>	<u>\$ 1,593</u>



Clearing	Fixed Assets	Total
\$ 39,949	\$ -	\$ 27,332
17,961	-	29,801
-	-	626,178
57,910	-0-	683,311
-	569,632	569,632
-	(474,187)	(474,187)
-0-	95,445	95,445
-	-	431,161
<u>\$ 57,910</u>	<u>\$ 95,445</u>	<u>\$ 1,209,917</u>

\$ 39,490	\$ -	\$ 555,991
-	-	43,663
17,110	-	17,110
1,310	-	4,443
-	-	491,547
57,910	-0-	1,112,754
-	-	1,718
-	95,445	95,445
-0-	95,445	97,163
<u>\$ 57,910</u>	<u>\$ 95,445</u>	<u>\$ 1,209,917</u>

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF REVENUES AND EXPENSES BY GRANT PROGRAM

For the Year Ended June 30, 2006

	Partnership for Adult Learning FY04	MWA Capacity Building PY03	Building Strategic Partnership
REVENUES			
Grants			
Federal	\$ -	\$ -	\$ -
State	-	-	-
Interest	-	-	-
Other	-	-	-
TOTAL REVENUES	-0-	-0-	-0-
EXPENSES			
Grants and allocations	-	-	-
Supplies	-	-	-
Telephone	-	-	-
Postage and shipping	-	-	-
Occupancy	-	-	-
Equipment rental and maintenance	-	-	-
Equipment purchases	-	-	-
Insurance	-	-	-
Contracted services	-	-	-
Allocated Administration	-	-	-
Allocated Program	-	-	-
Training and Conferences	-	-	-
Other	-	-	-
TOTAL EXPENSES	-0-	-0-	-0-
EXCESS OF REVENUES OVER (UNDER) EXPENSES	\$ -0-	\$ -0-	\$ -0-

Reed Act One-Stop FY05	WIA State-Wide One-Stop FY06	General Fund	WIA Incumbent Worker PY05	WIA Dislocated Worker PY05
\$ 32,372	\$ 114,799	\$ -	\$ 86,756	\$ 1,073,437
-	-	-	-	-
-	-	73	-	-
-	-	10,861	-	-
32,372	114,799	10,934	86,756	1,073,437
1,510	102,789	-	-	939,097
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,710	11,480	-	8,676	-
2,126	530	-	-	134,340
-	-	-	78,080	-
26,026	-	12,227	-	-
32,372	114,799	12,227	86,756	1,073,437
\$ -0-	\$ -0-	\$ (1,293)	\$ -0-	\$ -0-

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF REVENUES AND  
EXPENSES BY GRANT PROGRAM - CONTINUED

For the Year Ended June 30, 2006

	Rapid Response	TAA/NAFTA FY06	TAA/NAFTA FY05
REVENUES			
Grants			
Federal	\$ 5,042	\$ 27,735	\$ 66,387
State	-	-	-
Interest	-	-	-
Other	-	-	-
TOTAL REVENUES	5,042	27,735	66,387
EXPENSES			
Grants and allocations	3,475	-	-
Supplies	-	-	-
Telephone	-	-	-
Postage and shipping	-	-	-
Occupancy	-	-	-
Equipment rental and maintenance	-	-	-
Equipment purchases	-	-	-
Insurance	-	-	-
Contracted services	-	-	-
Allocated Administration	1,567	1,237	10,262
Allocated Program	-	-	-
Training and Conferences	-	26,498	56,125
Other	-	-	-
TOTAL EXPENSES	5,042	27,735	66,387
EXCESS OF REVENUES OVER (UNDER) EXPENSES	\$ -0-	\$ -0-	\$ -0-

Re-Employment Services PY05	Employment Services PY04	Employment Services PY05	WIA Displaced Homemaker FY06	Benton Harbor Summer Youth FY05
\$ 32,578	\$ -	\$ 468,174	\$ 62,164	\$ 262,924
-	-	-	-	-
-	-	-	-	-
-	-	-	-	10,848
32,578	-0-	468,174	62,164	273,772
32,578	-	308,521	55,652	262,673
-	-	1,970	-	-
-	-	7,006	-	-
-	-	412	-	-
-	-	27,152	-	-
-	-	6,325	-	-
-	-	669	-	-
-	-	502	-	-
-	-	6,407	-	-
-	-	76,523	6,512	11,099
-	-	32,615	-	-
-	-	-	-	-
-	-	72	-	-
32,578	-0-	468,174	62,164	273,772
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF REVENUES AND  
EXPENSES BY GRANT PROGRAM - CONTINUED

For the Year Ended June 30, 2006

	Benton Harbor Summer Youth FY06	WIA Administration PY04	WIA Administration PY05
REVENUES			
Grants			
Federal	\$ 45,460	\$ -	\$ 292,243
State	-	-	-
Interest	-	-	-
Other	2,000	-	-
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	47,460	-	292,243
EXPENSES			
Grants and allocations	38,546	-	-
Supplies	-	-	-
Telephone	-	-	-
Postage and shipping	-	-	-
Occupancy	-	-	-
Equipment rental and maintenance	-	-	-
Equipment purchases	-	-	-
Insurance	-	-	-
Contracted services	-	-	-
Allocated Administration	8,914	-	292,243
Allocated Program	-	-	-
Training	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	47,460	-	292,243
EXCESS OF REVENUES OVER (UNDER) EXPENSES	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ -0-	\$ -0-	\$ -0-

WIA Youth PY05	WIA Youth Statewide PY05	WIA Incentive PY05	WIA Adult PY05	WIA Statewide Planning Grant CAEL PY05
\$ 774,430	\$ 15,948	\$ 43,359	\$ 1,085,970	\$ 20,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
774,430	15,948	43,359	1,085,970	20,000
639,065	14,350	14,216	928,013	18,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	4,194	-	-
-	-	9,997	-	-
-	-	-	-	-
-	-	-	-	-
-	1,598	3,061	-	2,000
135,365	-	5,024	157,957	-
-	-	6,867	-	-
-	-	-	-	-
774,430	15,948	43,359	1,085,970	20,000
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF REVENUES AND  
EXPENSES BY GRANT PROGRAM - CONTINUED

For the Year Ended June 30, 2006

	Michigan Prisoner Re-Entry Program FY06	TANF Work First FY05	TANF Work First FY06
REVENUES			
Grants			
Federal	\$ -	\$ 719,532	\$ 1,822,920
State	244,889	-	-
Interest	-	-	-
Other	-	-	-
TOTAL REVENUES	244,889	719,532	1,822,920
EXPENSES			
Grants and allocations	134,152	608,998	1,279,575
Supplies	-	-	13,275
Telephone	-	-	33,193
Postage and shipping	-	-	1,581
Occupancy	-	-	159,353
Equipment rental and maintenance	2,916	-	18,038
Equipment purchases	-	-	3,743
Insurance	-	-	2,888
Contracted services	-	-	31,563
Allocated Administration	61,496	62,510	230,864
Allocated Program	45,483	48,024	47,971
Training	842	-	-
Other	-	-	876
TOTAL EXPENSES	244,889	719,532	1,822,920
EXCESS OF REVENUES OVER (UNDER) EXPENSES	\$ -0-	\$ -0-	\$ -0-



Work First GF/GP FY05	Food Stamps Employ./Training FY06	Food Stamps Employ./Training FY05	Regional Skills Alliance	WIA Statewide A-Step Program PY04
\$ -	\$ 108,867	\$ 34,842	\$ -	\$ 161,935
221,575	-	-	-	-
-	-	-	-	-
-	-	-	-	-
221,575	108,867	34,842	-0-	161,935
51,030	89,669	31,183	-	152,094
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
124,000	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(1,771)	19,198	3,659	-	9,841
48,316	-	-	-	-
-	-	-	-	-
-	-	-	-	-
221,575	108,867	34,842	-0-	161,935
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF REVENUES AND  
EXPENSES BY GRANT PROGRAM - CONTINUED

For the Year Ended June 30, 2006

	WIA Statewide A-Step Program PY05	Reed Act Work First FY05	Work First GF/GP FY04
REVENUES			
Grants			
Federal	\$ 38,066	\$ 170,463	\$ -
State	-	-	-
Interest	-	-	-
Other	-	-	-
TOTAL REVENUES	38,066	170,463	-0-
EXPENSES			
Grants and allocations	27,906	-	-
Supplies	-	3,289	-
Telephone	-	8,430	-
Postage and shipping	-	903	-
Occupancy	-	57,592	-
Equipment rental and maintenance	-	6,786	-
Equipment purchases	-	-	-
Insurance	-	-	-
Contracted services	-	4,464	-
Allocated Administration	10,160	16,423	-
Allocated Program	-	71,545	-
Training	-	-	-
Other	-	1,031	-
TOTAL EXPENSES	38,066	170,463	-0-
EXCESS OF REVENUES OVER (UNDER) EXPENSES	\$ -0-	\$ -0-	\$ -0-

Work First GF/GP FY06	TANF FIA Transportation FY05	Work First TANF Transportation to Work FY05	Work First TANF Transportation to Work FY06	PIC Funded Leave
\$ -	\$ 59,454	\$ -	\$ 84,076	\$ -
358,922	-	-	-	-
-	-	-	-	-
-	-	-	-	-
358,922	59,454	-0-	84,076	-0-
217,042	59,454	-	84,076	-
2,242	-	-	-	-
7,113	-	-	-	-
647	-	-	-	-
3,580	-	-	-	-
6,408	-	-	-	-
4,676	-	-	-	-
-	-	-	-	-
8,293	-	-	-	-
49,047	-	-	-	-
59,652	-	-	-	-
-	-	-	-	-
222	-	-	-	-
358,922	59,454	-0-	84,076	-0-
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF REVENUES AND  
EXPENSES BY GRANT PROGRAM - CONTINUED

For the Year Ended June 30, 2006

	<u>Drop In Center</u>	<u>Payroll Fund</u>	<u>Program Income</u>
REVENUES			
Grants			
Federal	\$ -	\$ -	\$ -
State	-	-	-
Interest	-	-	7,583
Other	8,697	-	-
	<u>8,697</u>	<u>-</u>	<u>7,583</u>
TOTAL REVENUES	8,697	-0-	7,583
EXPENSES			
Grants and allocations	8,697	-	-
Supplies	-	-	-
Telephone	-	-	-
Postage and shipping	-	-	-
Occupancy	-	-	-
Equipment rental and maintenance	-	-	-
Equipment purchases	-	-	-
Insurance	-	-	-
Contracted services	-	-	-
Allocated Administration	-	-	7,583
Allocated Program	-	-	-
Training	-	-	-
Other	-	-	-
	<u>8,697</u>	<u>-0-</u>	<u>7,583</u>
TOTAL EXPENSES	8,697	-0-	7,583
EXCESS OF REVENUES OVER (UNDER) EXPENSES	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Clearing		Fixed Assets		Total	
\$	-	\$	-	\$	7,709,933
	-		-		825,386
	-		-		7,656
	-		-		32,406
	-0-		-0-		8,575,381
	-		-		6,102,361
	-		-		20,776
	-		-		55,742
	-		-		3,543
	-		-		247,677
	-		-		44,667
	-		-		143,085
	-		-		3,390
	-		-		50,727
	-		-		906,892
	-		-		788,948
	-		-		168,412
	-		-		40,454
	-0-		-0-		8,576,674
\$	-0-	\$	-0-	\$	(1,293)

Berrien-Cass-Van Buren Workforce Development Board, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2006

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Expenditures</u>
U.S. DEPARTMENT OF LABOR		
Passed through the Michigan Department of Labor and Economic Growth		
Employment Services	17.207	
Employment Services		\$ 468,174
Re-Employment Services		<u>32,578</u>
		500,752
Trade Adjustment Assistance	17.245	
TAA FY05		66,387
TAA FY06		<u>27,735</u>
		94,122
Workforce Investment Act <sup>(1) (2)</sup>	17.258	
Adult		1,085,970
Administration <sup>(3)</sup>		77,941
Youth Statewide <sup>(4)</sup>		4,245
Incumbent Worker - Statewide <sup>(4)</sup>		23,094
Benton Harbor Youth Works - Statewide - FY05 <sup>(4)</sup>		69,990
Benton Harbor Youth Works - Statewide - FY06 <sup>(4)</sup>		12,101
Displaced Homemaker - Statewide <sup>(4)</sup>		16,548
A-Step - Statewide - PY04 <sup>(4)</sup>		43,107
A-Step - Statewide - PY05 <sup>(4)</sup>		10,133
One - Stop - Statewide <sup>(4)</sup>		30,559
CAEL Planning Grant - Statewide <sup>(4)</sup>		5,324
Incentive - Statewide <sup>(4)</sup>		<u>11,542</u>
		1,390,554
Workforce Investment Act <sup>(1) (2)</sup>	17.259	
Youth		774,430
Administration <sup>(3)</sup>		79,490
Youth Statewide <sup>(4)</sup>		4,695
Incumbent Worker - Statewide <sup>(4)</sup>		25,541
Benton Harbor Youth Works - Statewide - FY05 <sup>(4)</sup>		77,405
Benton Harbor Youth Works - Statewide - FY06 <sup>(4)</sup>		13,383
Displaced Homemaker - Statewide <sup>(4)</sup>		18,301
A-Step - Statewide - PY04 <sup>(4)</sup>		47,674
A-Step - Statewide - PY05 <sup>(4)</sup>		11,207
One - Stop - Statewide <sup>(4)</sup>		33,797
CAEL Planning Grant - Statewide <sup>(4)</sup>		5,888
Incentive - Statewide <sup>(4)</sup>		<u>12,765</u>
		1,104,576

Berrien-Cass-Van Buren Workforce Development Board, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended June 30, 2006

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Program Expenditures
U.S. DEPARTMENT OF LABOR		
Passed through the Michigan Department of Labor and Economic Growth - continued		
Workforce Investment Act <sup>(1) (2)</sup>	17.260	
Dislocated Worker		\$ 1,071,220
National Reserve		2,217
Rapid Response		5,042
Administration <sup>(3)</sup>		134,812
Youth Statewide <sup>(4)</sup>		7,008
Incumbent Worker - Statewide <sup>(4)</sup>		38,121
Benton Harbor Youth Works - Statewide - FY05 <sup>(4)</sup>		115,529
Benton Harbor Youth Works - Statewide - FY06 <sup>(4)</sup>		19,976
Displaced Homemaker - Statewide <sup>(4)</sup>		27,315
A-Step - Statewide - PY04 <sup>(4)</sup>		71,154
A-Step - Statewide - PY05 <sup>(4)</sup>		16,726
One - Stop - Statewide <sup>(4)</sup>		50,443
CAEL Planning Grant - Statewide <sup>(4)</sup>		8,788
Incentive - Statewide <sup>(4)</sup>		<u>19,052</u>
		1,587,403
Unemployment Insurance (Reed Act)	17.225	
Reed Act		170,463
One - Stop FY05		<u>32,372</u>
		<u>202,835</u>
TOTAL U.S. DEPARTMENT OF LABOR		4,880,242
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed through the Family Independence Agency and the Michigan Department of Labor and Economic Growth		
Temporary Assistance for Needy Families <sup>(1)</sup>	93.558	
Work First - FY05		719,532
Work First - FY06		1,822,920
Work First - Transportation to Work		84,076
Work First - FIA Support Services - FY05		<u>59,454</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		2,685,982

Berrien-Cass-Van Buren Workforce Development Board, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended June 30, 2006

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE		
Passed through the Michigan Department of Labor and Economic Growth		
Food Stamps	10.561	
Employment and Training FY06		\$ 108,867
Employment and Training FY05		<u>34,842</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>143,709</u>
TOTAL FEDERAL AWARDS		<u>\$ 7,709,933</u>

- (1) Program is considered a "major" program.
- (2) Denoted programs required to be clustered by the United States Department of Labor.
- (3) The Workforce Investment Act administrative cost pool expenditures are allocated to funding sources based on percentages of allocations made from each funding source.
- (4) The Workforce Investment Act Statewide Activities expenditures are allocated to funding sources based on percentages provided by the Michigan Department of Labor and Economic Growth (MDLEG).



Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2006

**NOTE A: BASIS OF PRESENTATION**

Berrien-Cass-Van Buren Workforce Development Board, Inc. as a nonprofit organization reports on the accrual basis of accounting for financial statement presentation in accordance with accounting principles generally accepted in the United States of America.

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Berrien-Cass-Van Buren Workforce Development Board, Inc., and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

Principals

Dale J. Abraham, CPA  
Michael T. Gaffney, CPA  
Steven R. Kirinovic, CPA  
Aaron M. Stevens, CPA  
Eric J. Glashouwer, CPA



**ABRAHAM & GAFFNEY, P.C.**

Certified Public Accountants

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Berrien-Cass-Van Buren  
Workforce Development Board, Inc.  
Benton Harbor, Michigan

We have audited the basic financial statements of the Berrien-Cass-Van Buren Workforce Development Board, Inc. as of and for the year ended June 30, 2006, and have issued our report thereon dated January 3, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Berrien-Cass-Van Buren Workforce Development Board, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Berrien-Cass-Van Buren Workforce Development Board, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Berrien-Cass-Van Buren Workforce Development Board, Inc. in a separate letter dated January 3, 2007.

This report is intended for the information of management, the Board of Directors of the Berrien-Cass-Van Buren Workforce Development Board, Inc., pass-through grantors, and the U.S. Departments of Labor, Health and Human Services and Agriculture, and should not be used by anyone other than these specified parties.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

January 3, 2007

Principals

Dale J. Abraham, CPA  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors  
Berrien-Cass-Van Buren  
Workforce Development Board, Inc.  
Benton Harbor, Michigan

Compliance

We have audited the compliance of the Berrien-Cass-Van Buren Workforce Development Board, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that is applicable to its major Federal programs for the year ended June 30, 2006. The Berrien-Cass-Van Buren Workforce Development Board, Inc.'s major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to the major Federal programs is the responsibility of the Berrien-Cass-Van Buren Workforce Development Board, Inc.'s administration. Our responsibility is to express an opinion on the Berrien-Cass-Van Buren Workforce Development Board, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Berrien-Cass-Van Buren Workforce Development Board, Inc.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Berrien-Cass-Van Buren Workforce Development Board, Inc.'s compliance with those requirements.

In our opinion, the Berrien-Cass-Van Buren Workforce Development Board, Inc. complied, in all material respects, with the requirements referred to above that are applicable to the major Federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of the Berrien-Cass-Van Buren Workforce Development Board, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the Berrien-Cass-Van Buren Workforce Development Board, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management, the Board of Directors of the Berrien-Cass-Van Buren Workforce Development Board, Inc., pass-through grantors, and the U.S. Departments of Labor, Health and Human Services and Agriculture, and should not be used by anyone other than these specified parties.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

January 3, 2007

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SCHEDULE OF FINDINGS

For the Year Ended June 30, 2006

SUMMARY OF AUDITOR'S RESULTS

An unqualified opinion was issued on the financial statements. There were no reportable conditions disclosed by the audit of the basic financial statements. We noted no instances of noncompliance with laws, regulations, contracts and grants that could have a direct and material effect on the financial statements.

An unqualified opinion was issued on compliance for major programs. There were no reportable conditions related to internal controls or compliance the major programs tested. We noted no instances of noncompliance with laws, regulations, contracts and grants that could have a direct and material effect on the major programs.

The major programs tested to cover 25 percent of the total Federal expenditures were the Temporary Assistance for Needy Families (CFDA 93.558) and Workforce Investment Act Cluster (CFDA 17.258 - 17.260) programs. Total Federal expenditures for the year ended June 30, 2006 for the major programs tested were \$6,768,515, which is approximately 88 percent of total Federal expenditures.

The Organization had three (3) Type A programs. Programs of less than \$300,000 were determined to be Type B programs. The Organization qualified to be a "low risk auditee".

FINDINGS/NONCOMPLIANCE

Reportable Conditions Related to Internal Controls over the Financial Statements.

None

Findings Related to Compliance with Requirements Applicable to the Financial Statements.

None

Findings Related to Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.

None

Berrien-Cass-Van Buren  
Workforce Development Board, Inc.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2006

FINDINGS/NONCOMPLIANCE

Reportable Conditions Related to Internal Controls over the Financial Statements.

No prior audit findings.

Findings Related to Compliance with Requirements Applicable to the Financial Statements.

No prior audit findings.

Findings Related to Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.

No prior audit findings.